

Summary of Minutes

ECONOMIC DEVELOPMENT COMMISSION (EDC) MEETING HELD ON FRIDAY, FEBRUARY 22, 2013 AT 12:00 PM IN THE HOOKER CONFERENCE ROOM OF CITY HALL AT SHOWERS, 401 NORTH MORTON STREET, BLOOMINGTON, INDIANA

Call to Order

The meeting was called to order by Kurt Zorn at 12:04pm.

Roll Call

Economic Development Commission Members present: Kurt Zorn, Darryl Neher, Amanda Nickey.

Staff present: Adam Wason, Communications Director; Jason Carnes, Economic and Sustainable Development Assistant Director.

Approval of Summary of Meeting Minutes

Kurt Zorn moved to approve the December 21, 2012 EDC minutes. The commission members unanimously approved the summary.

Staff Report

Outstanding BIIF Loans

Jason Carnes briefed the EDC members that all BIIF loans are in good standing except for the Cha Cha and ProWinds loans. Carnes said that the ProWinds bankruptcy had concluded and there were no remaining assets for the City to collect as a creditor.

Adam Wason informed the EDC that Cha Cha has dissolved and that the business and assets were sold to a new owner. Wason said City Legal staff is looking into the loan and added that the most frustrating thing with the entire situation continues to be the complete lack of communication from the previous owner with the City of Bloomington.

Darryl Neher asked what dollars or assets went to outstanding Cha Cha creditors. Wason said he does not know and that Cha Cha had legal representation to protect its interests. Neher asked if the City was notified of Cha Cha's dissolution before or after the process began. Wason said the City was informed after the business was sold.

Kurt Zorn and Amanda Nickey expressed frustration with the Cha Cha situation and Darryl Neher inquired about possible fraud, personal liability or inappropriate conduct. Wason said that City Legal staff will try to recover assets and investigate original documents since the loan was issued back in 2000.

Wason added that City Legal staff did attend the bankruptcy proceedings for ProWinds and that no assets remained there for the City to recover. Wason also believes that

ProWinds did not fully present their true financial position to City staff and the financial review committee.

Kurt Zorn and Darryl Neher discussed the ProWinds and Cha Cha loan disbursements. Neher said that future loans may need to be formalized differently, perhaps adding personal liability to all loans or for the City to directly pay for business or operational expenses. Adam Wason and Jason Carnes agreed that any future loans will scrutinize personal liability options. Neher added that the City has many lessons to learn from the Cha Cha and ProWinds ordeals.

Kurt Zorn told Jason Carnes to remind City staff to put forth the best possible position when working with public assets for loans and grants. Carnes and Wason reminded the EDC that the City's different revolving loans funds have successfully provided over two million dollars for the Bloomington business community before these two recent defaults.

New Business

Election of 2013 Officers

Adam Wason stated the current slate of EDC officers: Kurt Zorn, president; Malcolm Webb, vice president; Amanda Nickey, secretary. Wason jokingly expressed that Malcolm Webb was not in attendance for the day's vote.

Darryl Neher motioned to keep the current slate of officers as is. The motion passed unanimously. Wason announced the 2013 EDC officers: Kurt Zorn, president; Malcolm Webb, vice president; Amanda Nickey, secretary.

Adam Wason stated that Danny Lopez has taken a new position in Governor Pence's administration and that the Mayor will appoint a replacement to the EDC position Lopez vacated. Danny Lopez was recognized by all present and thanked for his service to the Economic Development Commission and the Bloomington Community.

Adjournment

With no further business, Kurt Zorn motioned to adjourn. The meeting ended at 12:25pm.